

PX 714

Announcing Arrington XRP Capital, A Crypto-Denominated Hedge Fund

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| Michael Arrington



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On July 1, 2013 I purchased my first Bitcoin for \$102.41. There was a fee of \$1.17 added by the exchange for doing the sale.

From that point on, I was hooked. Or, I was at least a crypto enthusiast. I learned as much as I could about blockchain and related technologies emerging during those years, and we made quite a few investments at my venture fund, CrunchFund.

Nearly a year ago I turned things up to 11. I began investing in token offerings – sometimes called ICOs or Initial Coin Offerings – and also invested a significant percentage of my personal net worth into building a portfolio of cryptocurrencies.

Today, at the Consensus Invest conference in New York, I'm announcing that I'm part of a team launching a new \$100 million cryptocurrency hedge fund called [Arrington XRP Capital](#). The fund has commitments for over \$50 million so far, and we plan to begin trading in the next few weeks.

The fund is denominated in [XRP](#), which is as of today the third or fourth largest cryptocurrency by market capitalization (depending on how you calculate it), at ~ \$27 billion. Investors contribute XRP to the fund, not dollars or other fiat currency. All distributions, fees, etc. will also generally be paid in XRP (with some exceptions for LPs desiring different currency distributions).

We will invest in a wide variety of cryptocurrency assets and related technologies. The primary focus will be on existing tokens. The fund will also invest a portion of its assets in ICOs, as well as more traditional investments such as private equity offerings.

Why XRP?

First, having a hedge fund denominated in a cryptocurrency makes things far easier for investors who already hold a lot of cryptocurrency. No need to convert back to fiat and then later back to a cryptocurrency as we make investments. Everyone saves fees and time that way.

Second, XRP, developed by [Ripple](#), is particularly useful for us. While we don't have a commercial relationship with Ripple (they are not investors in our fund, for example), we are still able to use their super-fast and secure settlement infrastructure, as anyone else can. That means non-U.S. investors in our fund will have an easier time investing in us and making redemptions later. No need to rely on ancient fiat methods for cross-border currency transfers that are slow and laden with fees.

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arrington CAPITAL



2006. Prior to TechCrunch Heather was a M&A executive and investment banker.

Our third partner is Geoffrey Arone (recently in the [crypto press here](#)), who is an experienced product and technology executive with experience in crypto dating back to the early days of 2011. Geoffrey and I are leading our investment team.

All three of us have known and worked with each other for over a decade.

Why Now

Today well over 10% of my net worth is in cryptocurrencies and that will soon increase substantially as I'm also investing in Arrington XRP Capital.

Some people think this is crazy and that we're on the edge of a bubble-bursting meltdown in cryptocurrencies values. After all, a year ago the total market value of all cryptocurrencies was just shy of \$14 billion. Today it's over \$300 billion. XRP alone has increased from \$0.007 to \$0.271 (a 38x jump) over the last year. *"This is the time for everyone to get the hell out of cryptocurrencies!"*, many people argue, *"Not jump in with both feet."*

[Others](#), however, [argue](#) that we're just getting started in crypto. I'm one of those people. A year ago I was just a crypto enthusiast. Now I've altered my career path to focus entirely on cryptocurrencies and related technologies. And this isn't just a short term focus. **With this new fund I'm signaling my intent to spend the rest of my career on cryptocurrencies.** There will be dramatic ups and downs along the way, but we're in this for the long haul.

More updates soon.

Press Coverage Of Arrington XRP Capital Announcement



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